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January 21, 2003

BY ELECTRONIC AND OVERNIGHT MAIL

James R.J. Scheltema, Esq.
Director-Regulatory Affairs
Global NAPs, Inc.
10861 Lockwood Drive
Silver Spring, MD 20901

Re: D.T.E. 02-45 Global NAPs, Inc. Arbitration

Dear Mr. Scheltema:

I am writing in response to your January 14, 2003 letter in which you seek clarification from Verizon Massachusetts regarding “how our networks will interconnect in Massachusetts, including compensation arrangements, for the exchange of ISP-bound traffic, going forward into the future.”

I am perplexed by the suggestion that your letter is necessary because of the Department’s December 12, 2002 Order issued in this docket. The issues you raise were addressed by both parties in the arbitration and were decided by the Department in its December 12, 2002 Order. *See* Order, D.T.E. 02-45 (December 12, 2002) at 5-18 (Department addresses the operational and financial responsibilities of Parties with respect to the Single Point of Interconnection and Interconnection Point); 19-26 (Department rejects GNAPs’ argument that the FCC’s *Order on Remand* had any impact on the intrastate access charge regime in Massachusetts and holds that while GNAPs “is free to offer its customers whatever retail calling areas it chooses” GNAPs “is required to follow Verizon [MA]’s Department-established local calling areas for purposes of intercarrier compensation” and must pay Verizon MA access charges based on these calling areas); 27-38 (Department holds that, in accord with Verizon MA’s Department-approved local calling areas, VNXX calls “will be rated as local or toll based on the geographic end points of the call” and that the parties shall work cooperatively to secure the geographic end point data necessary to determine whether they are local calls (subject to reciprocal compensation) or toll calls (subject to access charges)). Those rulings were fully supported by the record in the arbitration, are consistent with applicable law, and require no clarification.

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GNAPs disagrees with the Department's rulings and has appealed them. However, the Department's decisions are currently effective and binding on the parties. The Department directed us to file contract language conforming to its arbitration decisions on or before January 17, 2003, and Verizon MA provided GNAPs with proposed contract language implementing the Department's rulings. However, rather than comply with the Department's order by working with Verizon MA to craft contract terms consistent with the Department's findings, GNAPs recently informed Verizon MA and the Department that it now intends to adopt another interconnection agreement. As you know, Verizon MA opposes GNAPs' effort to evade the Department's rulings. If GNAPs is truly interested in obtaining clarity regarding how our networks will interconnect, it should have reviewed our proposed contract terms and advised us prior to January 17, 2003, as to whether it agrees that those terms accurately reflect the Department's rulings.

With respect to the issue of whether GNAPs is entitled to reciprocal compensation for ISP-bound traffic under the terms of its expired interconnection agreement with Verizon MA, this issue has also been addressed by the Department. As you know, in a December 20, 2002 Order, the Department held that GNAPs was not entitled to receive reciprocal compensation for ISP-bound traffic under the terms of its now-expired interconnection agreement. *See Order, Complaint of MCI WorldCom, Inc. against New England Telephone and Telegraph Company d/b/a Bell Atlantic-Massachusetts for breach of interconnection terms entered into under Sections 251 and 252 of the Telecommunications Act of 1996*, D.T.E. 97-116-G (December 20, 2002). The Department's decision on this issue is consistent with Verizon MA's position on this issue and requires no further clarification.

In summary, the issues you raise in your letter were fully addressed in this arbitration and were decided by the Department. The Department rulings are clear, consistent with applicable law, supported by the record, and require no further clarification.

Sincerely,

/s/Bruce P. Beausejour

Bruce P. Beausejour

cc: Mary L. Cottrell, Secretary
Tina W. Chin, Arbitrator
Michael Isenberg, Director, Telecommunications Division
Peter Allen, Telecommunications Analyst
William J. Rooney, Jr., Vice President and General Counsel – Global NAPs
Keefe B. Clemons, Assistant General Counsel- Verizon